

**BERKS COUNTY CONVENTION CENTER AUTHORITY
MINUTES OF THE REGULAR MEETING OF
THURSDAY, FEBRUARY 21, 2013**

The regular meeting of the Board of Directors (the “Board”) of the Berks County Convention Center Authority (the “Authority”) was called to order at 7:00 a.m. in the SMG Board Room, the Sovereign Center, 700 Penn Street, Reading, Pennsylvania.

The following members were present:

Mr. P. Michael Ehlerman (via telephone)
Mr. Carl Herbein
Mr. Michael Fiucci
Mr. John Ernesto
Mr. Brian D’Amico
Mr. Albert Boscov

The meeting was chaired by Mr. Albert Boscov.

Also present:

Mr. Zane Collings, SMG
Matthew Mayer, Esquire, Leisawitz Heller Abramowitch Phillips, P.C.
Ms. Hope Parkin, SMG
Mr. Matt Salkowski, SMG
Mr. Mark Wallace, Reading Royals
Ms. Stephanie Hackash, Reading Royals
Mr. Donald Spatz, Reading Eagle
Mr. Vaughn Spencer, Mayor, City of Reading

Mr. Burlee Adams was absent.

The Chairman declared that a quorum was present and proceeded with the meeting.

There were no comments from the public.

Upon a motion duly made and seconded, the minutes of the regular meeting of the Board of December 20, 2012 were unanimously approved.

TREASURER’S REPORT

Mr. Herbein distributed and reviewed the two-month Treasurer’s Report containing the financials for the months of December 2012 and January 2013. Mr. Herbein noted that the Authority had a cash balance of \$716,004.74 as of December 31, 2012 and a cash balance of \$717,480.57 as of January 31, 2013, which represented an increase of almost \$1,500 from December to January.

Mr. Herbein reviewed the financial numbers of the Authority's activities as of December 31, 2012, which represents the first half of the Authority's fiscal year. The combined figure for all four activities showed a loss of approximately \$787,000, which was greater than the projected loss of \$509,000, but less than the actual loss of \$998,000 over the same period in the previous fiscal year. Mr. Herbein broke the figures down further for each component of the Authority's operations. The combined figure for the Arena and SPAC showed an actual loss of \$614,000, which was greater than the projected loss of \$582,000, but less than the actual loss of \$833,000 over the same period in the previous fiscal year. The food and beverage figure showed a profit of \$180,000, which was less than the projected profit of \$334,000 and also less than the \$241,000 profit over the same period in the previous fiscal year. Finally, the Royals figure showed a loss of \$354,000, which was greater than the \$263,000 projected loss, but less than the actual loss of \$406,000 over the same period in the previous fiscal year.

Mr. Herbein advised that the hotel tax receipts for November and December were \$109,585.66 and \$94,561.90, respectively, which were greater than the 2011 figures for the same months by approximately \$4,500 and \$19,700, respectively. Mr. Herbein further noted that the year-end hotel tax receipt figure for 2012 was \$1,329,496.06, which was approximately \$42,600 greater than the 2011 year-end figure. Mr. Ehlerman noted that the 2012 year-end figure was the second highest hotel tax receipt figure ever. Further, the 2012 year-end figure did not include approximately \$16,000 in tax receipts from the Crowne Plaza hotel, which if timely received, would have likely made 2012 the best year to date.

Upon a motion duly made and seconded, it was unanimously moved to approve all the bills paid within the period and to pay all bills listed that had been unpaid during this period. Further, upon a motion duly made and seconded, the Treasurer's Report was approved.

SOLICITOR'S REPORT

Mr. Mayer stated that there was no significant legal activity to report.

MANAGEMENT REPORT

Mr. Wallace provided an update on the Reading Royals. Mr. Wallace noted that the Arena advertising figure is \$368,000, which is slightly lower than the \$400,000 projected figure. He further noted that the Royals advertising figure is \$473,000, which is also slightly lower than the \$500,000 projected figure. Finally, Mr. Wallace reported that the suite sales/advertising figure was \$384,000, which is just short of the \$400,000 projected figure. Mr. Wallace noted that two half-suites and one full suite were sold in the past six weeks and that they continue to push to meet the advertising projections.

Mr. Wallace reported that the Royals are 34-14-3-3 and in first place in the Eastern Conference. He further noted that the annual Pink in the Rink game was a big success with over 6,600 in attendance and over \$25,000 being raised for breast cancer. Finally, he noted the Royals have 9 home games left and at least a third of them look to be big attendance/event games.

Mr. Collings noted there are no capital improvements needed at this time.

Mr. Collings distributed and reviewed the most recent Event Schedule. Mr. Collings noted that ticket sales remain a roller coaster, with some events selling really well and other events selling poorly. Mr. Collings noted that the total number of events in 2012 was 195, which was slightly down from 220 in 2011. Mr. Collings confirmed that the Jehovah's Witnesses will be returning for six weekends this summer. Finally, Mr. Collings distributed the 2011 and 2012 Worldwide Ticket Sales figures for the top 200 arenas in the world. He noted that the Arena was number 190 in 2011 and 160 in 2012. He further noted that for 2012, the Arena was three spots behind the Mohegan Sun Arena in Wilkes-Barre and 4 and 19 spots ahead of the Liacouras Center in Philadelphia and the Giant Center in Hershey, respectively.

Mr. Ernesto reported that Jazz Fest tickets are selling well, although the RSO opening event is slightly underperforming at the current time.

NEW BUSINESS

Mr. Boscov noted that there was no new business to discuss and then announced that there would be an executive session following the public session for discussion of certain legal matters and that the Board would not reconvene after that meeting.

There being no further business before the Board at the public session, the Chairman announced that the next regular meeting of the Board would be held at the Sovereign Center at 7:00 a.m., Thursday, April 18, 2013. At 7:45 a.m., upon a motion duly made and seconded, the Board unanimously resolved to adjourn.